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SELECTED ELEMENTS OF RESOURCE THEORY IN THE CONTEXT OF ENTERPRISE COMPETITIVENESS

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ABSTRACT

In this article an attempt has been made to characterize selected elements influencing the competitiveness of the company. Considerations were based on enterprise resource theory and limited to chosen factors. As numerous studies show, the importance of knowledge, human resources and innovation are key determinants of both the development and competitiveness of today's companies.

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INTRODUCTION

Due to the variability and tumultuous nature of their environment, modern enterprises have to look for innovative methods to improve competitiveness. This is because solutions limited to the lowering of the cost of production or business operation turn out to be insufficient. Therefore, searching for and implementation of modern methods of company management as a whole are a very important element of the operation of an enterprise. This system should be regarded as a process aimed at continuous improvement of competitiveness and company value. Hence, its interdisciplinary nature should be borne in mind.

Competitiveness potential in literature

It is commonly believed that competitive potential has a significant impact on a competitive position. However, in certain cases we may observe the so-called reversed character of the situation – a good competitive position, which is reflected, inter alia, in a high level of profits and high profitability, may determine competitive potential. The elements of competitive potential include:

- financial resources,
- information resources,
- innovativeness resources,
- human resources,
- organizational resources,
- tangible resources,
- technological resources (Flak & Głód (2012)).
- system of processes,
- set of actions.

A proper composition and optimal use of the resources is an essential skill of managers in this aspect (this is also part of an enterprise's resources). However, it should be borne in mind that the structure of the resources of competitive potential changes over time and therefore the structure of the volume of resources should be constantly monitored.

In the long term any intangible resources are of particular importance in the shaping of competitiveness, which results from their characteristics:

- they are related to skills and can be used in many places;
- with time and use they do not lose their value but rather become enhanced;
- they are difficult to copy, buy and the process of their formation is long (Kusa (2008)).

These resources significantly affect the nature of operations and processes that usually constitute an element that differentiates competitors (products they offer are generally similar to each other). These processes may involve product development, manufacturing, order fulfilment, service, etc. It is not any one product but a process that gives a company its decisive advantage (Hammer (1996)).

The analysis of literature prove that in the resource-based concept of competitiveness the most prominent position is held by intangible resources that can be characterized as:

- labour resources, trained staff, innovative abilities, morale, cultural flexibility of an organization, with a special configuration of these resources, which is often referred to as strategic competences, abilities or intellectual capital. Information and knowledge, as well as friendly and loyal customers, are also resources. (Internetowy serwis controllingu http://isc.infor.pl/slownik-pojec/haslo,101142.html Retrieved 13 July 2017).
- organizational resources, licenses, patents, company name, graphic symbol, brand (Imbis (2002)), reputation, etc. Intangible resources, unlike other resources, can be used for different purposes, by different workers, in many places at the same time (Michalak (2007)).

When comparing these definitions with the nature of modern knowledge-based economy, it should be noted that: "post-industrial economy, called knowledge-based economy, has many characteristic features. With regard to the most important determinants of value, it is, firstly, dominated by knowledge, as opposed to the domination of land in agrarian economy and of capital in industrial economy. Secondly, intangible factors are the most important. In the case of a market offer, this means an increase in the importance of services in relation to tangible products. In relation to expenditure it is reflected in the dominance of investments in intangible assets as a source of value creation over investments in tangible assets" (Urbanek (2011)). Both human resources, intellectual capital, the quality of which translates into entrepreneurship and entrepreneurial attitudes of society, are extremely important intangible resources. These aspects have become part of the document of the European Commission – Europe 2020 Strategy.

Place of human resources in the theory od competitiveness

In the recent past, when listing the factors affecting competitiveness of an enterprise or when characterizing a company's resources, only fixed and circulating capital was mentioned. Changes in economy, and not only Poland's economy, observed in recent decades forced a change in the look on entrepreneurship and competitiveness, as a result of which the role of human resources in the operation of an organization gained recognition. It is generally acknowledged that human capital is a component of intellectual capital of an enterprise (intellectual capital = human capital + structural capital). However, as noted by M. Majowski, "the term 'human capital' is ambiguous and explained in various ways, depending on, among other things, whether attempts to define it are made from an individual (individual employees) or social position" (Oleksyn, (2006)). Therefore, some definitions of human capital are worth mentioning:
Human capital – these are all the resources, "possessed by people, such as knowledge (explicit and tacit, declarative and procedural), abilities, values, norms, attitudes, beliefs, emotional intelligence, etc. Human capital is created by a configuration of these resources, which – when focused on the remaining resources of an organization – activates the operation of an organization aimed at value creation. Its size depends on the mutual match and structure of connections between all resources." (Mikuła (2006))

- "Human capital – created by the staff and their knowledge, experience, intelligence, mutual relations, laws, functional specialization of the staff, company's top management, etc." (Stankiewicz (2005)).
- The concept of human capital is an important term that is useful in the analysis of the issues of personnel management. With respect to an individual, the components of equity are: abilities, health, knowledge, skills, motivation, vital energy and time. Human capital is a specific component of resources; it is embodied in a person and can both increase and decrease. An example of an increase is the development of skills and competences of an employee through training. A decrease in capital may, in turn, refer to a victim of an accident, and quite often also to a person who is unemployed for a long time.(Szałkowski (2006)).
- According to the European Commission, "Human capital is the knowledge of the personnel at the moment of leaving the workplace; skills, experience, abilities (some of this knowledge is specific for individual persons, some – a shared category)" (Mroziewski (2008)).
- "Human capital. The combined knowledge, skills, innovation, and ability of employees to meet the tasks at hand. It also includes company values, culture and philosophy. Human capital cannot be owned by the organization. (...) The term: "human capital" includes all the skills, knowledge and experience of the employees and managers of the organization. Human capital must also take into account the creativity and innovation of the organization." (Edvinsson (2001))

It can, therefore, be said that human capital is created by people, employees and their resources: knowledge, experience and skills (Armstrong &Taylor (2016)). It is well known that the above-mentioned resources, if rarely used, become outdated and impoverished, therefore, their development should be taken care of through:

- organization of the learning process, engaging the employees in the process, supporting self-education of employees; and
- taking care of the employees' health condition.

Therefore, the development of human (intellectual) capital requires stimulation, for example by entrepreneurial style of management. This style is mainly focused on the principles and institutions of organizational governance.

Employment stability is related to, among other things, the loyalty of employees. Therefore, investments in the loyalty of employees (particularly the key ones) are essential even in times of crisis, because its absence could result in the migration of employees to a more prosperous company, in a situation that is difficult for a weaker company, loss of competitiveness (sometimes loss of opportunities – a given area of operation remains vacant without a properly prepared person). The impact of the consequences of a hindered investment in human capital on the economic situation (competitiveness) of a company is best illustrated by the chart below.

Chart 1 Effects of inhibited investment in human capital

Inhibition of the process of investment in potential employees (employment)

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Inhibition of the process of investment in employees

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Lowering of the value of human capital as a result of employees leaving the organization to work for competitors in the labour market

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Lowering of the value of the organization's human capital as a result of deterioration of the quality of the organization's human capital (quality of work)

↓

Development of symptoms of interference in the performance of work

↓

Adverse change in the company's image

↓

Loss of customer

↓

Deterioration in financial results (reduced competitiveness)

Source: Lipka, (2010).

Only these managers of a company who care about the values and competitiveness of their enterprise and identify with its far-reaching concept should be the candidates for managerial positions.

Knowledge and innovation as methods to increase competitivness

The existence and operation of any enterprise can be seen through the prism of its resources. Their quality, quantity and diversity affect the effectiveness and efficiency of an organization. The most sought after and desirable resources are those that affect the level of competitiveness, which results from their characteristics:

- uniqueness;
- value that is possible to estimate;
- strong ties with an organization;
- being difficult to imitate;
- their development is impossible without the learning process, investment, capital expenditures;
- there is a lack of commercialization. (Baruk (2006); Bonikowska & Zacłona (2015).

Knowledge is, therefore, a resource or a set of resources that are a "fluid composition of targeted experience, values, contextual information and professional outlook providing the basis for assessment and acquisition of new experiences and information. It origi-

nates and develops in human minds. In organizations, it is not only stored in documents and databases but also in customs, standards and procedures." (Evans (2005);).
A separate problem related to the theory of knowledge management (Michna (2017)), extremely important from the point of view of the objectives of this article, is the issue of learning about a competitor and the use of knowledge in this area.
The competitor learning model is based on the so-called indicators sending signals about changes in procedures and actions of a competitor. In theory four types of indicators are distinguished:

- market indicators, relating to the competitor-market relation;
- organizational indicators, relating to the interior of a competitor's organization, along with a competitor's decisions;
- relationships indicators, relating to all relations of a competitor except for a competitor's product-market relation, which is taken into account by the market indicators;
- indicators of inactivity, relating only to what is expected from a competitor and does not occur, although it should.

On the other hand, the use of knowledge in decision-making processes includes the following elements:
- data acquisition (decisions and actions taken by an organization in anticipation of decisions and actions of a competitor are a factor generating the need for new data acquisition. It is on the one hand a reaction to own decisions and on the other hand the result of the use of new external sources. In this way, the cycle is repeated, but it takes place at a higher level designated by knowledge about a competitor that was already acquired and used in a decision-making process. This allows taking action in the field of data processing, which creates new information. The information constitutes input to the decision-making system, in which it is first of all evaluated. In this way the described cycle of activities is repeated

- evaluation of information (evaluation of information is essential in the learning model as it creates knowledge about a competitor, which allows performance of many tasks. First of all decision-makers assess what the implications of the obtained knowledge will be for their decisions, for example, acceleration of some of their own decisions, postponement of others, faster implementation of previously taken decisions, a need to find solutions to new problems, therefore, to take new decisions. The obtained knowledge may also lead to different assessment of the degree of importance of certain problems.
- decisions and actions (the result of the evaluation of information about competitors are new decisions and the resulting actions or a change of previous decisions and initiated activities. It is worth noting that the new decisions concern the future, and, therefore, ambiguous situations, characterized by considerable uncertainty, which induces consideration of new ways of actions, sometimes based on different paradigms of management). (Rokita, (2005)).

The processes of internationalization and globalization necessitate introduction of continuous changes in enterprises to ensure better adaptation to requirements of global economy. This problem affects virtually all entrepreneurs who, in order to cope with the demands of the modern environment, must move away from traditional methods of management and business operation and introduce innovative, inventive solutions in their companies. Moreover, as already repeatedly emphasized, changes in the contemporary environment necessitate a change in the perception of factors determining competitiveness of individual economies and enterprises. Therefore, there is a departure from building competitive advantage based on (physical and financial) resources, with a focus on knowledge and innovation.

Innovations relate to those spheres of economic and social activities without which, in the long run, the development of civilization, structural changes, improvement of efficiency of business operation and living conditions of the population would not be

possible. In the broad sense innovations mean creative changes occurring in the social system, economic structure, technology and nature. (Janasz (1999); Janasz, Janasz, Prozorowicz, Świadek & Wiśniewska (2002)).
A very broad view of innovation is presented by Ph. Kotler, according to whom innovation relates to any goods, service or idea perceived by someone as new (Kotler & Keller (2013)). An enterprise is seen as innovative only if it:

- conducts research and development work (or buys R&D projects);
- systematically implements new scientific and technological solutions;
- has a significant share of new products in the volume of production;
- constantly introduces innovations to the market.(Stawasz (1999)).

In contrast, innovativeness is seen as a factor affecting competitiveness, which results from the following reasons:

- innovativeness is always dynamic and creative, it contains an element of novelty;
- innovativeness affects the overall efficiency of a company, through linkages with other enterprise resources;
- innovativeness strongly influences the creation of demand (Ball-Woźniak (2006)).

As can be seen, innovation is dynamic and its effects affect the competitiveness and growth of an organization. However, Polish companies, especially those operating in the SME sector, are most often underfunded, and capital and staff shortages make it impossible for them to conduct any research and development work. One of the forms of overcoming these barriers is cooperation based on various types of relationships (e.g. clusters, technology parks).

One of modern methods of improving competitiveness involves operation of enterprises on the basis of a cluster. This method is particularly new in Poland. This form of organizing business operation, using synergy effect, is widely known in highly developed countries. However, in Poland's economy it is still generally believed that any enterprise offering products (services) satisfying the same needs is only a competitor. Abandoning this line of thinking and entering into relationships with other entities can help to increase not only the innovativeness of companies but also their.

Summary

The low level of innovativeness and of competitiveness of Polish small and medium-sized enterprises results from underinvestment, conservative style of acting especially of senior managers, but mainly from their ignorance of the possibility to use a wide range of instruments or forms of cooperation in the market. It is a well-known fact that not all forms of support for development, innovativeness and competitiveness that have worked in other countries[1] can be successfully applied in Poland. However, the ones which, in the opinion of Polish entrepreneurs, bring measurable benefits should be used more extensively, i.e.: knowledge management, collaboration within clusters, technology parks, use of the offer of guarantee funds, chambers of commerce or trade associations.
The level of innovation of economies of individual countries, regions or enterprises is a determinant of their competitiveness. Innovation is one of the factors determining the development of an organization.. Cooperation with other companies, research centers or universities provides entrepreneurs with easier access to knowledge and technology. Their use at the level of an enterprise can improve productivity, extend the product life cycle, expand the product range, facilitate innovation and thereby strengthen the market position and allow expansion into new markets.

[1] Cf. European Charter for Small Enterprises, a document that describes the areas in which the EU Member States and candidate countries should take action to improve the environment and small business development; the document is often called the Set of Good Entrepreneurial Practices.

Implementation of innovative activities depends on many factors. Entrepreneurs should learn to "read" signals coming from the broadly understood market and adapt their enterprises accordingly. However, it is usually difficult to introduce changes in an enterprise, therefore it is necessary to create a kind of pro-innovative organizational culture.

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